

Reeves gets it wrong again - this time on non-doms

Published: January 13, 2026, 1:53 am

As the [Financial Times](#) notes this morning:

Chancellor Rachel Reeves is exploring reversing a decision to charge UK inheritance tax on the global assets of non-doms, following a spate of departures and lobbying by the City of London, according to government officials and financiers briefed on the discussions.

They added:

The exposure of worldwide assets to inheritance tax at 40 per cent — which came into force in April — is the element of scrapping the non-dom regime that is “causing most heartburn”, one government official said. The Treasury is reviewing the decision, they added.

Another official confirmed the Treasury would change the inheritance tax regime for non-doms if it was found to be good for Britain’s international competitiveness.

As I have [noted elsewhere this morning](#) (with some light editing added for this context):

If the wealthy leave, so what?

According to those who advise them, and who make a fuss about this issue, apparently they don't really pay enough tax to make a difference to the economy, meaning that there is supposedly nothing more they can add by way of taxation, which is the excuse offered for saying that they should not be taxed more, and yet, despite that things are already terrible in our economy. In that case, why worry whether they stay or go, because things are terrible either way? At least we'll have a fairer, more equal and more democratic society if they go, with more opportunity for all, which the wealthy block at present.

But the reality is the vast majority of them will stay, because they have nowhere else they want to go, their partners and children don't want to leave, their in-laws, dogs and horses want them to stay, and they can't tear themselves away from the social

hierarchies they have created for themselves at the golf club or wherever else it might be and then face having to do that all over again.

So, why are we making concessions to the wealthy? Answers, written on £50 notes, to Rachel Reeves, c/o The Treasury, please. She's very keen to find out.

These are some previous blog posts by me on this issue.

- * Murphy, R. (2024) 'Poor, petrified, non-doms are terrified that they might have to pay some tax', **Tax Research UK Blog**. [Available here](#).
- * **Murphy, R. (2024) 'The tax avoiders are working overtime to save the domicile rule', Tax Research UK Blog**. [Available here](#).
- * **Murphy, R. (2024) 'Removing the domicile rule would be a rare smart move by Jeremy Hunt', Tax Research UK Blog**. [Available here](#).
- * **Murphy, R. (2019) 'Non-doms may not be going. They might just be paying tax', Tax Research UK Blog**. [Available here](#).
- * **Murphy, R. (2015) 'A temporary residence rule is not the same as continuing non-dom status', Tax Research UK Blog**. [Available here](#).
- * **Murphy, R. (2008) 'Putting the non-dom whingers in their place', Tax Research UK Blog**. [Available here](#).